

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

January 6, 2011

SENATE BILL NO. 1248
(Second Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1248 (Second Reprint) with my recommendations for reconsideration.

This legislation provides that every municipality, county, and local authority shall annually prepare and submit a report outlining any lawsuits to which it was a party in the preceding year, and in which it expects to spend more than \$50,000 in legal fees or settlement costs, exclusive of those lawsuits which are covered or defended by a liability insurer. The report would need to be prepared by each local unit and local authority and submitted to the Director of the Division of Local Government Services in the Department of Community Affairs before its budget could be approved pursuant to the "Local Budget Law," N.J.S.A. 40A:4-1 et seq., or the "Local Authorities Fiscal Control Law," N.J.S.A. 40A:5A-1 et seq.

The sponsors' efforts to increase transparency in the local budgeting process are laudable and should be commended. However, I am concerned that the immediate implementation of this legislation will cause wide-scale disruption of the budgeting processes currently underway. Numerous calendar year counties, municipalities, and local authorities are currently preparing and finalizing their budgets for this current year. This legislation would delay the approval of each of those budgets until those entities have completed the report required by this legislation.

Therefore, I am returning this legislation with my recommendation that its application be delayed until the next

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full fiscal year for any entities that will be required to prepare a report under its terms. My recommendations also make several technical changes that will allow the Division of Local Government Services in the Department of Community Affairs to streamline implementation of this legislation.

Accordingly, I herewith return Senate Bill No. 1248 (Second Reprint) and recommend that it be amended as follows:

Page 2, Section 1, Line 13:

After "report shall" insert
"be in a format approved by
the director and shall"

Page 2, Section 1, Line 34:

Delete "A summary of the
local unit's liability
insurance plan, indicating"
and insert "An indication"

Page 2, Section 1, Lines 37-40:

Delete "transmit a copy of
each report to the
Commissioner of Community
Affairs, who shall render
each report to the Governor
and the Legislature
pursuant to section 3 of
P.L. 1966, c. 293
(C.52:27D-3)" and insert
"make a copy of each report
available on the division's
website for a period of at
least one year"

Page 3, Section 2, Line 6:

After "report shall" insert
"be in a format approved by
the director and shall"

Page 3, Section 2, Line 27:

Delete "A summary of the
authority's liability
insurance plan, indicating"
and insert "An indication"

Page 3, Section 2, Lines 30-33:

Delete "transmit a copy of
each report to the
Commissioner of Community
Affairs, who shall render
each report to the Governor
and the Legislature
pursuant to section 3 of
P.L. 1966, c. 293
(C.52:27D-3)" and insert
"make a copy of each report
available on the division's
website for a period of at
least one year"

Page 3, Section 2, Lines 35-37:

Delete "previous January 1
to December 31 for any
authority operating under a
calendar fiscal year or the

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previous July 1 to June 30
for any authority operating
under a State fiscal year"
and insert "twelve month
period preceding the
submission of the budget
for approval"

After "effect immediately"
insert ", but shall not
apply to any local unit or
local authority until that
entity's first full fiscal
year next following
enactment"

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Jeffrey S. Chiesa

Chief Counsel to the Governor